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11 *Attorneys for Del and Ernestine Bunch*

12 **UNITED STATES BANKRUPTCY COURT**
 13 **DISTRICT OF NEVADA**

14 In re:
 15 USA COMMERCIAL MORTGAGE COMPANY,
 16 Debtor.

17 Case No. BK-S-06-10725-LBR
 18 Case No. BK-S-06-10726-LBR

19 Case No. BK-S-06-10727-LBR

20 Case No. BK-S-06-10728-LBR

21 Case No. BK-S-06-10729-LBR

22 In re:
 23 USA CAPITAL REALTY ADVISORS, LLC,
 24 Debtor.

25 Chapter 11

26 In re:
 27 USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC,
 28 Debtor.

29 **Jointly Administered under**
 30 **Case No. BK-S-06-10725-LBR**

31 In re:
 32 USA CAPITAL FIRST TRUST DEED FUND, LLC,
 33 Debtor.

34 In re:
 35 USA SECURITIES, LLC,
 36 Debtor.

37 **SUPPLEMENTAL DECLARATION OF**
 38 **DEL BUNCH**

39 Affects:
 40 All Debtors
 41 USA Commercial Mortgage Company
 42 USA Securities, LLC
 43 USA Capital Realty Advisors, LLC
 44 USA Capital Diversified Trust Deed Fund, LLC
 45 USA First Trust Deed Fund, LLC

46 Date of Hearing: OST Pending
 47 Time of Hearing: OST Pending
 48 Place: Courtroom No. 1, Third Floor
 49 Foley Federal Building
 50 300 Las Vegas Blvd., S.
 51 Las Vegas, NV 89101

52 Judge: Hon. Linda B. Riegle

53 I, Del Bunch, under oath and under penalty of perjury say:

54 1. I have personal knowledge of the facts recited herein, and I am competent to
 55 testify regarding them if called as a witness in this matter.

56 2. I am a creditor in the above-referenced bankruptcy case.

57 ...

58 ...

1 3. Attached are documents showing the history of the involvement of me and my
2 wife, Ernestine, with loans made to USA Commercial Mortgage Company comprising our claim
3 in the bankruptcy case.

4 4. We made our first loan to USA Commercial Mortgage Company after a dinner
5 meeting with Tom Hantges and Vice President of investments, Phill Dickinson, in early June of
6 2000.

7 5. Our business background was the same as theirs, but at ages 73 and 71 we wanted
8 to be less active in lending money to builders/developers. We negotiated a 20% interest rate on
9 loans to be made, which was less than we were earning by working and loaning money directly
10 to residential builders ourselves.

11 6. A total of 27 loans were made by us to USA Commercial Mortgage Company
12 with a pre-agreed upon maximum loan amount of \$10,000,000.00, as evidenced by our
13 unsecured note, which is attached to the proof of claim we filed in the USA Commercial
14 Mortgage Company bankruptcy case. These loans were made starting in June of 2000 with the
15 last loan made in February 2004.

16 7. The first time we ever met Joe Milanowski was about May of 2004. We met with
17 Joe Milanowski and Phill Dickinson to discuss the due date of our Loan and their request to
18 extend the due date one year to February 5, 2006. See **Exhibit A** and **Exhibit B**.

19 8. Additional Exhibits attached are:

20 **Exhibit C** – Loan audit confirmation request dated March 27, 2001;

21 **Exhibit D** – Loan audit confirmation request dated June 20, 2003;

22 **Exhibit E** – List of our loan checks issued to USA Commercial Mortgage;

23 **Exhibit F** – Copies of 27 loan checks issued to USA Commercial Mortgage from
24 June 26, 2000, through February 5, 2004;

25 **Exhibit G** – USA Commercial Mortgage's year end balance sheets confirming
26 our loan balances December 31, 2000 through December 31, 2005;

27 **Exhibit H** – Copies of 1099 interest income received from USA Commercial
28 Mortgage for income tax reporting from 2000 through 2005;

1 I declare under penalty of perjury under the laws of the United States that the foregoing is
2 true and correct.

3 DATED this 18th day of December, 2006.

4 
5 Del Bunch
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